

**EMPLOYEES' RETIREMENT SYSTEM OF  
THE STATE OF RHODE ISLAND**

**Employees' Retirement System Cost-Sharing Plan**

**Schedules of Employer Allocations**

**Schedules of Pension Amounts by Employer**

**June 30, 2018 Measurement Date**

**(for Fiscal 2019 Employer Reporting)**



**Dennis E. Hoyle, CPA, Auditor General**

**Office of the Auditor General**

**General Assembly**

**State of Rhode Island and Providence Plantations**



# Office of the Auditor General

State of Rhode Island and Providence Plantations - General Assembly  
Dennis E. Hoyle, CPA - Auditor General

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September 30, 2019

JOINT COMMITTEE ON LEGISLATIVE SERVICES:

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Senator Dominick J. Ruggerio  
Senator Dennis L. Algieri  
Representative K. Joseph Shekarchi  
Representative Blake A. Filippi

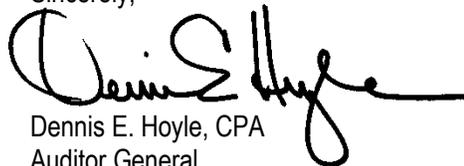
We have completed our audit of the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer for the Employees' Retirement System (ERS) Cost-Sharing Plan of the State of Rhode Island for the fiscal year ended June 30, 2018.

**These Schedules will be used by employers participating in the ERS cost-sharing defined benefit plan to meet their fiscal 2019 financial reporting responsibilities under generally accepted accounting principles – specifically the requirements of Governmental Accounting Standards Board Statement No. 68 – *Accounting and Financial Reporting for Pensions*.**

Other reports containing similar information for the Teachers' Survivors Benefit Cost-Sharing Plan and the Municipal Employees' Retirement System Plan will be issued under separate cover.

Our report is contained herein as outlined in the Table of Contents.

Sincerely,



Dennis E. Hoyle, CPA  
Auditor General

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**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
I. INTRODUCTION	1
II. INDEPENDENT AUDITOR'S REPORT	2
III. <b>Schedule A</b> - SCHEDULE OF EMPLOYER ALLOCATIONS – STATE EMPLOYEES	4
IV. <b>Schedule B</b> - SCHEDULE OF EMPLOYER AND OTHER NONEMPLOYER ENTITY ALLOCATIONS – TEACHERS	5
V. <b>Schedule C</b> - SCHEDULE OF PENSION AMOUNTS BY EMPLOYER - STATE EMPLOYEES	6
VI. <b>Schedule D</b> - SCHEDULE OF PENSION AMOUNTS BY EMPLOYER – TEACHERS	11
VII. NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER	21

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**June 30, 2018 Measurement Date**

**INTRODUCTION**

The Employees' Retirement System (ERS) Plan covers state employees, certain employees of quasi-public agencies, and teachers employed by local educational agencies, collaboratives and certain charter schools. ERS is a cost-sharing plan with a special funding situation related to teacher members. Separate actuarial valuations are made for state employee and teacher members; however, separate valuations are not made for individual employers participating in the plan.

For employers with teacher members in ERS, due to the "special funding" situation, the State will report approximately 40% of the net pension liability in its financial statements and the remaining 60% will be reported as a liability in the financial statements of the employers with teacher members in the plan.

As a cost-sharing plan – the net pension liability is apportioned based on proportionate contributions – see Schedules A and B.

**The measurement date is June 30, 2018 – the information included herein is intended for use in Fiscal 2019 financial reporting by employers participating in the ERS cost-sharing plan.** These include the State of Rhode Island, certain component units of the State of Rhode Island and municipalities, regional school districts, and collaboratives that have teachers participating in the plan.

The net pension liability and other measures included herein have been developed consistent with the requirements of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions*. Such amounts are intended for accounting and financial reporting by governments which prepare their financial statements in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. These amounts may and will likely differ from amounts reported in actuarial valuations used to measure actuarially determined contribution amounts consistent with the plan's adopted funding policies.



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## INDEPENDENT AUDITOR'S REPORT

JOINT COMMITTEE ON LEGISLATIVE SERVICES, GENERAL ASSEMBLY  
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS:

RETIREMENT BOARD OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE  
STATE OF RHODE ISLAND:

### ***Report on Schedules***

We have audited the accompanying Schedules of Employer Allocations (state employees and teachers and other nonemployer entity) of the Employees' Retirement System Plan (the Plan) as of and for the year ended June 30, 2018, and the related notes. We have also audited the total for all entities of the columns titled ending net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the accompanying Schedules of Pension Amounts by Employer of the Plan (state employees and teachers) as of and for the year ended June 30, 2018, and the related notes.

### ***Management's Responsibility for the Schedules***

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on the Schedules of Employer Allocations and the specified column totals included in the Schedules of Pension Amounts by Employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's

Joint Committee on Legislative Services, General Assembly  
Retirement Board of the Employees' Retirement System of the State of Rhode Island

internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

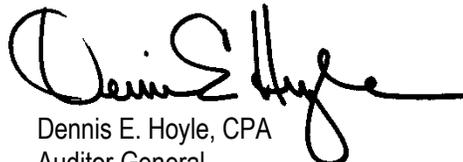
In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations for state employees and teachers and other nonemployer entity, ending net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating state employee and teacher entities for the Employees' Retirement System Plan as of and for the year ended June 30, 2018', in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Employees' Retirement System Plan within the Employees' Retirement System of the State of Rhode Island as of and for the year ended June 30, 2018, and our report thereon, dated December 20, 2018 expressed an unmodified opinion on those financial statements.

**Restriction on Use**

Our report is intended solely for the information and use of the Employees' Retirement System of the State of Rhode Island's management, the Retirement Board of the Employees' Retirement System of the State of Rhode Island, the Employees' Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.



Dennis E. Hoyle, CPA  
Auditor General

September 27, 2019

**EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**  
**EMPLOYEES' RETIREMENT SYSTEM COST SHARING PLAN**  
*Schedule of Employer Allocations - State Employees*

State, proprietary fund, or component unit	Fiscal 2018 employer contribution	
	Amount	%
State of Rhode Island	\$ 155,141,986	89.45323091%
University of Rhode Island	9,531,977	5.49603734%
Rhode Island College	3,286,460	1.89493813%
Community College of RI	2,426,036	1.39882674%
Lottery	1,320,896	0.76161477%
Division of Higher Education Assistance	115,212	0.06643018%
Narragansett Bay Commission	1,438,695	0.82953646%
RI Commerce Corporation	23,801	0.01372344%
RI Airport Corporation	148,567	0.08566202%
Total	\$ 173,433,631	100.00000000%

*See notes to schedules.*

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

EMPLOYEES' RETIREMENT SYSTEM COST SHARING PLAN

Schedules of Employer and Other Nonemployer Entity Allocations - Teachers

Employer Unit	Employer Contributions at shared rate	Federally Funded 100% local contributions	Fiscal 2018 total actual contributions	Adjustment - if all contributions at shared rate *	Adjusted total - equivalent contributions all at shared rate	Percent
State of Rhode Island			\$ 98,120,835	\$ 3,978,357	\$ 102,099,192	42.72387516%
School District or Charter School						
Barrington	\$ 3,298,571	\$ 68,151	\$ 3,366,722	\$ (29,140)	\$ 3,337,582	1.39662637%
Bristol/Warren	3,064,941	250,375	3,315,316	(107,056)	3,208,259	1.34251087%
Burrillville	1,994,528	136,746	2,131,274	(58,470)	2,072,804	0.86737424%
Central Falls	2,329,806	309,077	2,638,883	(132,156)	2,506,727	1.04895136%
Chariho	3,336,615	164,592	3,501,206	(70,377)	3,430,830	1.43564648%
Coventry	4,759,439	271,753	5,031,192	(116,197)	4,914,995	2.05670231%
Cranston	10,342,288	743,361	11,085,649	(317,849)	10,767,800	4.50583532%
Cumberland	4,094,915	214,729	4,309,643	(91,814)	4,217,829	1.76496986%
East Greenwich	2,409,675	123,425	2,533,100	(52,774)	2,480,325	1.03790351%
East Providence	4,757,046	515,767	5,272,813	(220,533)	5,052,279	2.11414950%
Exeter-West Greenwich	1,798,507	72,557	1,871,063	(31,024)	1,840,039	0.76997295%
Foster	216,515	18,485	235,000	(7,904)	227,096	0.09502946%
Foster-Glocester	1,232,233	23,868	1,256,102	(10,206)	1,245,896	0.52135091%
Glocester	532,107	14,045	546,153	(6,005)	540,147	0.22602703%
Jamestown	543,890	47,912	591,801	(20,486)	571,315	0.23906952%
Johnston	3,208,923	217,918	3,426,841	(93,178)	3,333,663	1.39498661%
Lincoln	3,295,583	179,599	3,475,182	(76,794)	3,398,388	1.42207116%
Little Compton	333,080	-	333,080	-	333,080	0.13937877%
Middletown	2,348,302	146,153	2,494,455	(62,493)	2,431,962	1.01766579%
Narragansett	1,597,098	63,564	1,660,661	(27,179)	1,633,483	0.68353827%
New Shoreham	283,729	-	283,729	-	283,729	0.11872757%
Newport	2,333,548	221,057	2,554,605	(94,520)	2,460,084	1.02943360%
North Kingstown	3,903,892	173,946	4,077,838	(74,376)	4,003,462	1.67526703%
North Providence	3,225,103	312,928	3,538,031	(133,803)	3,404,228	1.42451500%
North Smithfield	1,660,542	24,875	1,685,417	(10,636)	1,674,781	0.70081983%
Northern RI Collaborative	356,738	-	356,738	-	356,738	0.14927859%
Pawtucket	7,503,641	918,170	8,421,811	(392,594)	8,029,217	3.35986256%
Portsmouth	2,318,997	70,756	2,389,753	(30,254)	2,359,499	0.98734301%
Providence	20,513,312	1,768,006	22,281,318	(755,970)	21,525,349	9.00738084%
Scituate	1,477,865	44,896	1,522,761	(19,197)	1,503,564	0.62917327%
Smithfield	2,488,110	116,500	2,604,610	(49,814)	2,554,796	1.06906626%
South Kingstown	3,487,969	133,925	3,621,894	(57,264)	3,564,630	1.49163578%
Tiverton	1,701,819	41,532	1,743,350	(17,758)	1,725,592	0.72208190%
Urban Collaborative	132,115	-	132,115	-	132,115	0.05528425%
Warwick	10,162,298	671,233	10,833,531	(287,008)	10,546,523	4.41324088%
West Bay Collaborative	142,512	-	142,512	-	142,512	0.05963482%
West Warwick	3,276,410	244,746	3,521,155	(104,649)	3,416,506	1.42965270%
Westerly	3,251,408	72,582	3,323,990	(31,035)	3,292,955	1.37795227%
Woonsocket	4,515,931	615,686	5,131,616	(263,257)	4,868,359	2.03718735%
Highlander Charter School	375,049	8,960	384,010	(3,831)	380,178	0.15908737%
Paul Cuffee Charter School	642,491	97,015	739,505	(41,482)	698,024	0.29209117%
Kingston Hill Charter School	119,601	-	119,601	-	119,601	0.05004768%
International Charter School	280,675	19,242	299,917	(8,228)	291,690	0.12205895%
Compass School Charter School	128,985	-	128,985	-	128,985	0.05397451%
Blackstone Academy Charter School	195,142	25,876	221,018	(11,064)	209,954	0.08785622%
Beacon Charter School	271,715	-	271,715	-	271,715	0.11370042%
Learning Community Charter School	362,496	63,785	426,281	(27,274)	399,008	0.16696658%
Segue Institute Charter School	172,655	-	172,655	-	172,655	0.07224843%
Greene Charter School	161,642	6,670	168,312	(2,852)	165,460	0.06923761%
Trinity Academy Charter School	124,431	17,948	142,379	(7,674)	134,704	0.05636771%
RI Nurses Charter School	188,186	16,425	204,611	(7,023)	197,588	0.08268148%
Village Green Charter School	148,648	22,769	171,417	(9,736)	161,681	0.06765620%
Sheila Nowell Charter School	93,563	260	93,822	(111)	93,711	0.03921387%
South Side Charter School	54,159	12,424	66,582	(5,312)	61,270	0.02563885%
	\$ 131,549,437	\$ 9,304,287	\$ 140,853,724	\$ (3,978,357)	\$ 136,875,367	57.27612484%
See notes to schedules.			\$ 238,974,559		\$ 238,974,559	100.00000000%

\* The cost difference from the early retirement window in 1990 was fully amortized as of fiscal year ending June 30, 2017. Effective July 1, 2017 all local education agencies will contribute at the same actuarially determined rate.

**Employees' Retirement System Cost-Sharing Plan**  
**State Employees - Schedule of Pension Amounts by Employer**  
**June 30, 2018 Measurement Date**

Schedule C

<i>Participating Employer</i>	Beginning Net Pension Liability	Ending Net Pension Liability	Pension Expense		
			Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total
State of Rhode Island	\$ 2,010,955,153	\$ 2,013,417,042	\$ 184,753,437	\$ 1,877,653	\$ 186,631,090
University of Rhode Island	127,132,520	123,705,037	11,351,315	(529,148)	10,822,167
Rhode Island College	43,865,941	42,651,346	3,913,736	(418,163)	3,495,573
Community College of RI	32,467,123	31,484,850	2,889,086	(295,478)	2,593,608
Lottery	16,869,023	17,142,457	1,573,011	57,306	1,630,317
Division of Higher Education Assistance	1,647,676	1,495,213	137,202	(409,020)	(271,818)
Narragansett Bay Commission	19,376,984	18,671,241	1,713,294	(171,770)	1,541,524
RI Commerce Corporation	305,320	308,888	28,344	(6,340)	22,004
RI Airport Corporation	2,135,747	1,928,084	176,923	(105,040)	71,883
	<b>\$ 2,254,755,487</b>	<b>\$ 2,250,804,158</b>	<b>\$ 206,536,348</b>	<b>\$ -</b>	<b>\$ 206,536,348</b>

Employees' Retirement System Cost-Sharing Plan  
 State Employees - Schedule of Pension Amounts by Employer  
 June 30, 2018 Measurement Date

Schedule C

	Deferred Outflows of Resources				
	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
<i>Participating Employer</i>					
State of Rhode Island	\$ 13,437,035	\$ 129,339,852	\$ 87,043,910	\$ 7,707,920	\$ 237,528,717
University of Rhode Island	825,576	7,946,685	5,348,008	1,071,507	15,191,776
Rhode Island College	284,644	2,739,879	1,843,900	14,436	4,882,859
Community College of RI	210,122	2,022,555	1,361,151	-	3,593,828
Lottery	114,404	1,101,214	741,102	320,619	2,277,339
Division of Higher Education Assistance	9,979	96,051	64,641	-	170,671
Narragansett Bay Commission	124,607	1,199,421	807,194	72,954	2,204,176
RI Commerce Corporation	2,061	19,843	13,354	4,476	39,734
RI Airport Corporation	12,868	123,858	83,355	106,719	326,800
	<b>\$ 15,021,296</b>	<b>\$ 144,589,358</b>	<b>\$ 97,306,615</b>	<b>\$ 9,298,631</b>	<b>\$ 266,215,900</b>

**Employees' Retirement System Cost-Sharing Plan**  
**State Employees - Schedule of Pension Amounts by Employer**  
**June 30, 2018 Measurement Date**

Schedule C

Deferred Inflows of Resources					
<i>Participating Employer</i>	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows
State of Rhode Island	\$ 25,849,844	\$ 1,539,442	\$ 66,030,370	\$ 320,648	\$ 93,740,304
University of Rhode Island	1,588,223	94,584	4,056,929	4,389,163	10,128,899
Rhode Island College	547,592	32,611	1,398,758	1,565,022	3,543,983
Community College of RI	404,227	24,073	1,032,551	956,507	2,417,358
Lottery	220,088	13,107	562,190	225,617	1,021,002
Division of Higher Education Assistance	19,197	1,143	49,036	867,490	936,866
Narragansett Bay Commission	239,716	14,276	612,327	613,060	1,479,379
RI Commerce Corporation	3,966	236	10,130	10,373	24,705
RI Airport Corporation	24,754	1,474	63,232	350,751	440,211
	<b>\$ 28,897,607</b>	<b>\$ 1,720,946</b>	<b>\$ 73,815,523</b>	<b>\$ 9,298,631</b>	<b>\$ 113,732,707</b>

**Employees' Retirement System Cost-Sharing Plan**  
**State Employees - Schedule of Pension Amounts by Employer**  
**June 30, 2018 Measurement Date**

Schedule C

<i>Participating Employer</i>	Collective Deferred Outflows for Plan as a Whole					
	2020	2021	2022	2023	2024	Thereafter
State of Rhode Island	\$ 63,150,939	\$ 48,368,601	\$ 24,200,537	\$ 7,502,369	\$ 565,968	\$ -
University of Rhode Island	3,234,956	2,038,627	152,178	(312,903)	(49,980)	-
Rhode Island College	879,784	550,323	41,445	(114,682)	(17,994)	-
Community College of RI	662,752	467,432	139,181	(77,619)	(15,277)	-
Lottery	578,887	403,823	170,060	93,077	10,489	-
Division of Higher Education Assistance	(363,349)	(276,057)	(87,462)	(36,139)	(3,188)	-
Narragansett Bay Commission	396,619	332,630	73,228	(65,752)	(11,927)	-
RI Commerce Corporation	3,073	7,395	2,944	1,460	157	-
RI Airport Corporation	(46,378)	(54,189)	16,450	(24,927)	(4,368)	-
	<b>\$ 68,497,283</b>	<b>\$ 51,838,585</b>	<b>\$ 24,708,561</b>	<b>\$ 6,964,884</b>	<b>\$ 473,880</b>	<b>\$ -</b>

**Employees' Retirement System Cost-Sharing Plan**  
**State Employees - Schedule of Pension Amounts by Employer**  
**June 30, 2018 Measurement Date**

Schedule C

<i>Participating Employer</i>	Net Pension Liability 1% Decrease (6.0% Discount Rate)	Net Pension Liability (7.0% Discount Rate)	Net Pension Liability 1% Increase (8.0% Discount Rate)
State of Rhode Island	\$ 2,514,007,493	\$ 2,013,417,042	\$ 1,640,557,997
University of Rhode Island	154,461,487	123,705,037	100,796,449
Rhode Island College	53,255,636	42,651,346	34,752,863
Community College of RI	39,312,844	31,484,850	25,654,259
Lottery	21,404,540	17,142,457	13,967,894
Division of Higher Education Assistance	1,866,964	1,495,213	1,218,319
Narragansett Bay Commission	23,313,422	18,671,241	15,213,567
RI Commerce Corporation	385,686	308,888	251,686
RI Airport Corporation	2,407,459	1,928,084	1,571,028
	<b>\$ 2,810,415,531</b>	<b>\$ 2,250,804,158</b>	<b>\$ 1,833,984,062</b>

**Employees' Retirement System Cost-Sharing Plan**  
**Teachers - Schedule of Pension Amounts by Employer**  
**June 30, 2018 Measurement Date**

Schedule D

<i>Participating Employer</i>	Pension Expense				Ending Net Pension Liability
	Beginning Net Pension Liability	Proportionate Share of Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Pension Expense	
State of Rhode Island	\$ 1,357,576,963	120,475,401	\$ 6,939,545	\$ 127,414,946	\$ 1,357,443,538
Barrington	43,730,070	3,938,293	48,112	3,986,405	44,374,286
Bristol/Warren	41,326,250	3,785,694	(111,435)	3,674,259	42,654,902
Burrillville	25,703,094	2,445,875	(176,434)	2,269,441	27,558,632
Central Falls	33,773,001	2,957,897	(91,217)	2,866,680	33,327,788
Chariho	45,767,309	4,048,324	(409,280)	3,639,044	45,614,052
Coventry	65,443,544	5,799,615	(599,559)	5,200,056	65,346,536
Cranston	142,133,353	12,705,831	38,603	12,744,434	143,161,570
Cumberland	55,473,711	4,976,970	388,012	5,364,982	56,077,472
East Greenwich	30,002,460	2,926,744	247,931	3,174,675	32,976,770
East Providence	65,081,789	5,961,608	797,560	6,759,168	67,171,776
Exeter-West Greenwich	25,030,602	2,171,217	(743,169)	1,428,048	24,463,951
Foster	3,130,385	267,970	(116,720)	151,250	3,019,322
Foster-Glocester	15,975,017	1,470,137	(36,229)	1,433,908	16,564,612
Glocester	7,375,155	637,365	(8,064)	629,301	7,181,440
Jamestown	7,221,704	674,143	(144,272)	529,871	7,595,832
Johnston	42,724,384	3,933,669	390,829	4,324,498	44,322,186
Lincoln	45,057,871	4,010,043	(802,572)	3,207,471	45,182,730
Little Compton	4,042,675	393,029	(175,389)	217,640	4,428,409
Middletown	31,988,869	2,869,676	(252,601)	2,617,075	32,333,768
Narragansett	21,793,447	1,927,483	(145,010)	1,782,473	21,717,707
New Shoreham	3,387,393	334,795	(5,973)	328,822	3,772,270
Newport	32,872,313	2,902,860	21,718	2,924,578	32,707,660
North Kingstown	52,602,454	4,724,021	(152,039)	4,571,982	53,227,391
North Providence	44,305,641	4,016,935	773,054	4,789,989	45,260,377
North Smithfield	20,295,425	1,976,215	9,490	1,985,705	22,266,785
Northern RI Collaborative	4,399,464	420,945	(35,665)	385,280	4,742,951
Pawtucket	104,552,182	9,474,346	253,962	9,728,308	106,751,172

**Employees' Retirement System Cost-Sharing Plan**  
**Teachers - Schedule of Pension Amounts by Employer**  
**June 30, 2018 Measurement Date**

Schedule D

<i>Participating Employer</i>	Pension Expense				Ending Net Pension Liability
	Beginning Net Pension Liability	Proportionate Share of Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Pension Expense	
Portsmouth	31,283,742	2,784,170	(710,062)	2,074,108	31,370,338
Providence	282,997,567	25,399,564	(1,766,254)	23,633,310	286,186,843
Scituate	19,876,617	1,774,181	(460,699)	1,313,482	19,990,396
Smithfield	32,918,275	3,014,619	476,702	3,491,321	33,966,888
South Kingstown	49,047,536	4,206,206	(576,530)	3,629,676	47,392,970
Tiverton	22,404,844	2,036,171	140,223	2,176,394	22,942,334
Urban Collaborative	1,785,952	155,894	(18,436)	137,458	1,756,518
Warwick	134,499,571	12,444,727	(2,197,881)	10,246,846	140,219,615
West Bay Collaborative	2,144,465	168,162	34,374	202,536	1,894,746
West Warwick	45,162,030	4,031,422	(72,845)	3,958,577	45,423,614
Westerly	43,944,932	3,885,634	(842,827)	3,042,807	43,780,963
Woonsocket	63,437,371	5,744,586	(459,869)	5,284,717	64,726,498
Highlander Charter School	4,702,941	448,604	137,314	585,918	5,054,601
Paul Cuffee Charter School	9,029,622	823,657	(160,266)	663,391	9,280,461
Kingston Hill Charter School	1,565,329	141,128	(11,456)	129,672	1,590,139
International Charter School	4,248,749	344,189	(10,781)	333,408	3,878,116
Compass School Charter School	1,803,128	152,201	(5,427)	146,774	1,714,904
Blackstone Academy Charter School	2,558,085	247,742	182,190	429,932	2,791,410
Beacon Charter School	3,405,384	320,619	208,975	529,594	3,612,544
Learning Community Charter School	5,392,744	470,823	(138,028)	332,795	5,304,943
Segue Institute Charter School	2,016,755	203,731	(9,684)	194,047	2,295,512
Greene Charter School	1,859,023	195,240	48,963	244,203	2,199,851
Trinity Academy Charter School	2,027,459	158,949	10,447	169,396	1,790,942
RI Nurses Charter School	2,640,937	233,150	76,589	309,739	2,626,996
Village Green Charter School	1,989,232	190,781	124,897	315,678	2,149,605
Sheila Nowell Charter School	1,269,756	110,578	(3,907)	106,671	1,245,922
South Side Charter School	513,744	72,298	101,090	173,388	814,610
	<b>\$ 3,147,292,315</b>	<b>\$ 281,986,127</b>	<b>\$ -</b>	<b>\$ 281,986,127</b>	<b>\$ 3,177,248,164</b>

**Employees' Retirement System Cost-Sharing Plan**  
**Teachers - Schedule of Pension Amounts by Employer**  
**June 30, 2018 Measurement Date**

Schedule D

<i>Participating Employer</i>	Deferred Outflows of Resources				
	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
State of Rhode Island	\$ 19,854,695	\$ 98,602,639	\$ 63,838,387	\$ 49,529,992	\$ 231,825,713
Barrington	649,042	3,223,281	2,086,851	1,561,727	7,520,901
Bristol/Warren	623,893	3,098,387	2,005,991	1,024,125	6,752,396
Burrillville	403,087	2,001,817	1,296,038	1,449,617	5,150,559
Central Falls	487,470	2,420,880	1,567,352	1,292,513	5,768,215
Chariho	667,175	3,313,335	2,145,155	1,820,012	7,945,677
Coventry	955,793	4,746,673	3,073,143	108,742	8,884,351
Cranston	2,093,958	10,399,039	6,732,658	1,982,349	21,208,004
Cumberland	820,219	4,073,382	2,637,233	2,729,604	10,260,438
East Greenwich	482,336	2,395,383	1,550,844	3,239,730	7,668,293
East Providence	982,490	4,879,256	3,158,981	3,683,120	12,703,847
Exeter-West Greenwich	357,823	1,777,024	1,150,500	-	3,285,347
Foster	44,162	219,319	141,994	-	405,475
Foster-Glocester	242,283	1,203,228	779,007	416,108	2,640,626
Glocester	105,040	521,649	337,732	237,428	1,201,849
Jamestown	111,101	551,750	357,220	258,265	1,278,336
Johnston	648,280	3,219,496	2,084,401	2,620,444	8,572,621
Lincoln	660,867	3,282,005	2,124,871	-	6,067,743
Little Compton	64,772	321,673	208,261	448,828	1,043,534
Middletown	472,931	2,348,676	1,520,605	416,164	4,758,376
Narragansett	317,655	1,577,541	1,021,349	445,497	3,362,042
New Shoreham	55,175	274,012	177,404	278,054	784,645
Newport	478,400	2,375,835	1,538,189	2,043,926	6,436,350
North Kingstown	778,532	3,866,357	2,503,199	1,246,554	8,394,642
North Providence	662,002	3,287,645	2,128,523	3,630,640	9,708,810
North Smithfield	325,686	1,617,425	1,047,171	1,540,966	4,531,248
Northern RI Collaborative	69,373	344,521	223,053	615,984	1,252,931
Pawtucket	1,561,400	7,754,243	5,020,336	2,624,441	16,960,420

**Employees' Retirement System Cost-Sharing Plan  
Teachers - Schedule of Pension Amounts by Employer  
June 30, 2018 Measurement Date**

Schedule D

<i>Participating Employer</i>	Deferred Outflows of Resources				
	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
Portsmouth	458,839	2,278,694	1,475,297	153,480	4,366,310
Providence	4,185,922	20,788,178	13,458,907	1,031,456	39,464,463
Scituate	292,390	1,452,072	940,116	-	2,684,578
Smithfield	496,818	2,467,303	1,597,408	2,586,886	7,148,415
South Kingstown	693,195	3,442,553	2,228,815	577,370	6,941,933
Tiverton	335,567	1,666,496	1,078,941	1,829,108	4,910,112
Urban Collaborative	25,692	127,591	82,606	80,373	316,262
Warwick	2,050,927	10,185,340	6,594,303	3,744,493	22,575,063
West Bay Collaborative	27,714	137,631	89,107	255,179	509,631
West Warwick	664,390	3,299,502	2,136,200	9,102,765	15,202,857
Westerly	640,364	3,180,183	2,058,948	-	5,879,495
Woonsocket	946,724	4,701,635	3,043,983	1,229,265	9,921,607
Highlander Charter School	73,931	367,159	237,710	677,108	1,355,908
Paul Cuffee Charter School	135,741	674,119	436,445	291,279	1,537,584
Kingston Hill Charter School	23,258	115,505	74,782	74,864	288,409
International Charter School	56,723	281,700	182,382	586,357	1,107,162
Compass School Charter School	25,083	124,568	80,649	192,556	422,856
Blackstone Academy Charter School	40,829	202,764	131,276	823,659	1,198,528
Beacon Charter School	52,839	262,410	169,892	876,356	1,361,497
Learning Community Charter School	77,593	385,343	249,483	-	712,419
Segue Institute Charter School	33,575	166,742	107,954	218,023	526,294
Greene Charter School	32,176	159,794	103,455	404,058	699,483
Trinity Academy Charter School	26,195	130,091	84,225	178,015	418,526
RI Nurses Charter School	38,424	190,821	123,543	318,522	671,310
Village Green Charter School	31,441	156,144	101,092	550,286	838,963
Sheila Nowell Charter School	18,224	90,502	58,594	42,250	209,570
South Side Charter School	11,915	59,172	38,310	486,117	595,514
	<b>\$ 46,472,129</b>	<b>\$ 230,790,483</b>	<b>\$ 149,420,871</b>	<b>\$ 111,554,655</b>	<b>\$ 538,238,138</b>

**Employees' Retirement System Cost-Sharing Plan  
Teachers - Schedule of Pension Amounts by Employer  
June 30, 2018 Measurement Date**

Schedule D

<i>Participating Employer</i>	Deferred Inflows of Resources				
	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows
State of Rhode Island	25,890,696	15,974,271	47,624,279	14,810,236	104,299,482
Barrington	846,357	522,192	1,556,819	1,859,049	4,784,417
Bristol/Warren	813,562	501,959	1,496,496	1,530,930	4,342,947
Burrillville	525,629	324,307	966,862	1,586,388	3,403,186
Central Falls	635,665	392,198	1,169,265	2,360,442	4,557,570
Charlho	870,003	536,782	1,600,314	4,505,051	7,512,150
Coventry	1,246,363	768,992	2,292,605	3,141,126	7,449,086
Cranston	2,730,539	1,684,712	5,022,652	2,254,551	11,692,454
Cumberland	1,069,573	659,914	1,967,411	1,447,297	5,144,195
East Greenwich	628,970	388,068	1,156,950	1,837,347	4,011,335
East Providence	1,281,176	790,471	2,356,641	-	4,428,288
Exeter-West Greenwich	466,604	287,889	858,288	3,087,931	4,700,712
Foster	57,588	35,531	105,929	490,032	689,080
Foster-Glocester	315,939	194,931	581,150	525,568	1,617,588
Glocester	136,973	84,511	251,952	399,623	873,059
Jamestown	144,876	89,387	266,491	812,644	1,313,398
Johnston	845,363	521,579	1,554,991	1,051,945	3,973,878
Lincoln	861,776	531,706	1,585,182	3,518,355	6,497,019
Little Compton	84,464	52,113	155,365	957,535	1,249,477
Middletown	616,706	380,501	1,134,391	1,408,981	3,540,579
Narragansett	414,225	255,572	761,940	1,423,739	2,855,476
New Shoreham	71,949	44,392	132,346	227,021	475,708
Newport	623,837	384,901	1,147,509	1,580,835	3,737,082
North Kingstown	1,015,213	626,375	1,867,419	2,111,913	5,620,920
North Providence	863,257	532,620	1,587,906	1,028,192	4,011,975
North Smithfield	424,697	262,033	781,203	1,212,390	2,680,323
Northern RI Collaborative	90,463	55,815	166,401	658,421	971,100
Pawtucket	2,036,079	1,256,238	3,745,237	1,493,004	8,530,558

**Employees' Retirement System Cost-Sharing Plan  
Teachers - Schedule of Pension Amounts by Employer  
June 30, 2018 Measurement Date**

Schedule D

*Participating Employer*

Deferred Inflows of Resources					
Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows	
Portsmouth	598,331	369,163	1,100,591	3,156,166	5,224,251
Providence	5,458,479	3,367,820	10,040,522	9,793,270	28,660,091
Scituate	381,279	235,245	701,339	2,057,035	3,374,898
Smithfield	647,855	399,719	1,191,688	908,649	3,147,911
South Kingstown	903,932	557,716	1,662,726	3,869,827	6,994,201
Tiverton	437,582	269,983	804,904	1,810,394	3,322,863
Urban Collaborative	33,502	20,671	61,625	211,348	327,146
Warwick	2,674,427	1,650,091	4,919,437	13,084,449	22,328,404
West Bay Collaborative	36,139	22,297	66,475	216,521	341,432
West Warwick	866,370	534,541	1,593,633	8,319,466	11,314,010
Westerly	835,040	515,210	1,536,003	3,962,634	6,848,887
Woonsocket	1,234,537	761,695	2,270,852	3,419,189	7,686,273
Highlander Charter School	96,407	59,482	177,335	77,765	410,989
Paul Cuffee Charter School	177,007	109,212	325,594	978,489	1,590,302
Kingston Hill Charter School	30,329	18,713	55,788	163,667	268,497
International Charter School	73,968	45,637	136,059	602,975	858,639
Compass School Charter School	32,709	20,181	60,165	211,429	324,484
Blackstone Academy Charter School	53,241	32,849	97,933	-	184,023
Beacon Charter School	68,903	42,512	126,742	-	238,157
Learning Community Charter School	101,182	62,428	186,118	692,199	1,041,927
Segue Institute Charter School	43,783	27,013	80,535	223,033	374,364
Greene Charter School	41,958	25,888	77,179	137,125	282,150
Trinity Academy Charter School	34,159	21,076	62,833	228,478	346,546
RI Nurses Charter School	50,105	30,914	92,165	25,034	198,218
Village Green Charter School	41,000	25,296	75,416	-	141,712
Sheila Nowell Charter School	23,764	14,662	43,712	84,966	167,104
South Side Charter School	15,537	9,586	28,580	-	53,703
<b>\$ 60,600,067</b>	<b>\$ 37,389,560</b>	<b>\$ 111,469,943</b>	<b>\$ 111,554,655</b>	<b>\$ 321,014,225</b>	

**Employees' Retirement System Cost-Sharing Plan**  
**Teachers - Schedule of Pension Amounts by Employer**  
**June 30, 2018 Measurement Date**

Schedule D

<i>Participating Employer</i>	Collective Deferred Outflows for Plan as a Whole					
	2020	2021	2022	2023	2024	Thereafter
State of Rhode Island	43,140,237	26,572,105	2,936,981	20,550,019	26,998,176	7,328,713
Barrington	1,231,498	689,893	(82,730)	351,381	344,687	201,756
Bristol/Warren	1,026,098	505,478	(237,208)	280,787	504,719	329,575
Burrillville	558,507	222,144	(257,694)	286,871	560,120	377,425
Central Falls	797,578	390,799	(189,488)	128,061	69,847	13,846
Charlho	807,169	250,431	(543,778)	(236,191)	83,641	72,257
Coventry	1,143,121	345,541	(792,240)	108,002	451,762	179,079
Cranston	3,856,477	2,109,134	(383,524)	1,470,817	1,754,941	707,706
Cumberland	1,883,502	1,199,054	222,662	895,717	641,442	273,866
East Greenwich	1,127,365	724,871	150,695	599,733	553,844	500,450
East Providence	2,588,916	1,769,058	599,497	1,367,721	1,315,405	634,960
Exeter-West Greenwich	(90,757)	(389,349)	(815,304)	(244,779)	127,674	(2,850)
Foster	(36,200)	(73,052)	(125,623)	(59,069)	14,134	(3,796)
Foster-Glocester	405,521	203,343	(85,072)	141,791	220,340	137,116
Glocester	183,453	95,800	(29,239)	26,701	52,347	(272)
Jamestown	58,296	(34,414)	(166,669)	(25,273)	64,385	68,613
Johnston	1,572,826	1,031,856	260,140	706,975	642,070	384,877
Lincoln	402,374	(149,099)	(935,798)	(146,034)	264,586	134,694
Little Compton	(57,291)	(111,341)	(188,447)	(6,120)	89,195	68,061
Middletown	609,685	215,039	(347,941)	189,509	382,495	169,009
Narragansett	434,164	169,091	(209,047)	1,795	74,018	36,546
New Shoreham	94,627	48,585	(17,096)	43,909	73,927	64,986
Newport	893,975	494,765	(74,724)	375,626	787,805	221,819
North Kingstown	1,267,444	617,783	(308,986)	434,432	513,285	249,764
North Providence	1,980,071	1,427,650	639,599	782,699	563,027	303,789
North Smithfield	603,307	331,532	(56,166)	263,937	373,341	334,973
Northern RI Collaborative	90,821	32,932	(49,650)	(8,453)	135,464	80,717
Pawtucket	3,100,833	1,797,893	(60,805)	1,296,879	1,532,242	762,821

**Employees' Retirement System Cost-Sharing Plan**  
**Teachers - Schedule of Pension Amounts by Employer**  
**June 30, 2018 Measurement Date**

Schedule D

<i>Participating Employer</i>	Collective Deferred Outflows for Plan as a Whole					
	2020	2021	2022	2023	2024	Thereafter
Portsmouth	126,531	(256,356)	(802,561)	(166,441)	157,683	83,203
Providence	5,865,858	2,372,836	(2,610,106)	1,150,001	2,641,586	1,384,196
Scituate	72,411	(171,580)	(519,643)	(203,651)	73,574	58,570
Smithfield	1,382,541	967,961	376,547	572,259	439,485	261,711
South Kingstown	687,359	108,909	(716,273)	(74,066)	60,797	(118,993)
Tiverton	752,056	472,036	72,575	154,090	40,608	95,884
Urban Collaborative	28,407	6,968	(23,615)	(13,343)	(6,633)	(2,669)
Warwick	1,541,536	(169,900)	(2,611,333)	(494,160)	916,430	1,064,086
West Bay Collaborative	84,904	61,778	28,787	26,029	(5,297)	(28,001)
West Warwick	1,138,525	584,112	(206,781)	63,086	1,745,824	564,080
Westerly	324,736	(209,628)	(971,920)	(282,163)	109,130	60,452
Woonsocket	1,266,276	476,263	(650,722)	250,903	525,045	367,569
Highlander Charter School	272,112	210,418	122,410	162,778	108,112	69,089
Paul Cuffee Charter School	87,228	(26,044)	(187,630)	(19,718)	41,284	52,162
Kingston Hill Charter School	30,950	11,542	(16,145)	(3,297)	(6,086)	2,948
International Charter School	92,642	45,308	(22,216)	32,911	109,020	(9,141)
Compass School Charter School	40,307	19,375	(10,484)	7,645	39,415	2,114
Blackstone Academy Charter School	256,632	222,562	173,959	200,829	107,869	52,653
Beacon Charter School	305,315	261,223	198,323	206,760	103,200	48,519
Learning Community Charter School	3,446	(61,303)	(153,670)	(80,823)	(29,960)	(7,197)
Segue Institute Charter School	51,533	23,516	(16,453)	10,992	38,628	43,714
Greene Charter School	107,629	80,779	42,477	74,749	57,921	53,778
Trinity Academy Charter School	58,208	36,349	5,166	2,235	(5,146)	(24,831)
RI Nurses Charter School	146,646	114,583	68,843	71,343	56,306	15,370
Village Green Charter School	182,223	155,987	118,559	124,356	77,567	38,560
Sheila Nowell Charter School	29,320	14,113	(7,581)	1,966	4,770	(122)
South Side Charter School	122,814	112,872	98,688	91,865	65,231	50,341
	<b>\$ 84,731,762</b>	<b>\$ 45,952,201</b>	<b>\$ (9,368,454)</b>	<b>\$ 31,444,578</b>	<b>\$ 46,655,282</b>	<b>\$ 17,808,544</b>

Employees' Retirement System Cost-Sharing Plan  
Teachers - Schedule of Pension Amounts by Employer  
June 30, 2018 Measurement Date

Schedule D

<i>Participating Employer</i>	Net Pension Liability 1% Decrease (6.0% Discount Rate)	Net Pension Liability (7.0% Discount Rate)	Net Pension Liability 1% Increase (8.0% Discount Rate)
State of Rhode Island	\$ 1,707,896,465	\$ 1,357,443,538	\$ 1,096,418,100
Barrington	55,830,452	44,374,286	35,841,469
Bristol/Warren	53,667,172	42,654,902	34,452,709
Burrillville	34,673,479	27,558,632	22,259,329
Central Falls	41,932,065	33,327,788	26,919,123
Charlho	57,390,289	45,614,052	36,842,838
Coventry	82,217,135	65,346,536	52,780,925
Cranston	180,121,775	143,161,570	115,632,755
Cumberland	70,555,065	56,077,472	45,294,227
East Greenwich	41,490,425	32,976,770	26,635,603
East Providence	84,513,599	67,171,776	54,255,186
Exeter-West Greenwich	30,779,841	24,463,951	19,759,731
Foster	3,798,824	3,019,322	2,438,731
Foster-Glocester	20,841,119	16,564,612	13,379,371
Glocester	9,035,481	7,181,440	5,800,507
Jamestown	9,556,857	7,595,832	6,135,215
Johnston	55,764,902	44,322,186	35,799,388
Lincoln	56,847,613	45,182,730	36,494,455
Little Compton	5,571,697	4,428,409	3,576,862
Middletown	40,681,418	32,333,768	26,116,245
Narragansett	27,324,595	21,717,707	17,541,567
New Shoreham	4,746,161	3,772,270	3,046,893
Newport	41,151,839	32,707,660	26,418,241
North Kingstown	66,969,174	53,227,391	42,992,193
North Providence	56,945,306	45,260,377	36,557,171
North Smithfield	28,015,430	22,266,785	17,985,062
Northern RI Collaborative	5,967,445	4,742,951	3,830,920
Pawtucket	134,311,258	106,751,172	86,223,783

Employees' Retirement System Cost-Sharing Plan  
Teachers - Schedule of Pension Amounts by Employer  
June 30, 2018 Measurement Date

Schedule D

*Participating Employer*

	Net Pension Liability 1% Decrease (6.0% Discount Rate)	Net Pension Liability (7.0% Discount Rate)	Net Pension Liability 1% Increase (8.0% Discount Rate)
Portsmouth	39,469,258	31,370,338	25,338,075
Providence	360,072,064	286,186,843	231,155,422
Scituate	25,151,342	19,990,396	16,146,404
Smithfield	42,736,163	33,966,888	27,435,329
South Kingstown	59,628,474	47,392,970	38,279,685
Tiverton	28,865,386	22,942,334	18,530,708
Urban Collaborative	2,210,000	1,756,518	1,418,754
Warwick	176,420,291	140,219,615	113,256,514
West Bay Collaborative	2,383,915	1,894,746	1,530,402
West Warwick	57,150,686	45,423,614	36,689,020
Westerly	55,083,950	43,780,963	35,362,237
Woonsocket	81,437,020	64,726,498	52,280,115
Highlander Charter School	6,359,553	5,054,601	4,082,642
Paul Cuffee Charter School	11,676,410	9,280,461	7,495,903
Kingston Hill Charter School	2,000,667	1,590,139	1,284,368
International Charter School	4,879,334	3,878,116	3,132,385
Compass School Charter School	2,157,643	1,714,904	1,385,142
Blackstone Academy Charter School	3,512,072	2,791,410	2,254,644
Beacon Charter School	4,545,200	3,612,544	2,917,881
Learning Community Charter School	6,674,527	5,304,943	4,284,845
Segue Institute Charter School	2,888,147	2,295,512	1,854,103
Greene Charter School	2,767,789	2,199,851	1,776,837
Trinity Academy Charter School	2,253,312	1,790,942	1,446,558
RI Nurses Charter School	3,305,211	2,626,996	2,121,846
Village Green Charter School	2,704,572	2,149,605	1,736,254
Sheila Nowell Charter School	1,567,583	1,245,922	1,006,341
South Side Charter School	1,024,919	814,610	657,967
	<b>\$ 3,997,522,369</b>	<b>\$ 3,177,248,164</b>	<b>\$ 2,566,288,980</b>

**EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**

**EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN**

**Notes to the Schedules of Employer Allocations and Pension Amounts by Employer  
June 30, 2018 Measurement Date**

**1. Plan Description and Governance**

The Employees' Retirement System of the State of Rhode Island (the System) acts as a common investment and administrative agent for pension benefits to be provided through various defined benefit and defined contribution retirement plans. The System is administered by the State of Rhode Island Retirement Board which was authorized, created and established as an independent retirement board to hold and administer, in trust, the funds of the retirement system.

Each plan's assets are accounted for separately and may be used only for the payment of benefits to the members of that plan, in accordance with the terms of that plan.

The Employees' Retirement System (ERS) Plan (the Plan) was established and placed under the management of the Retirement Board for the purpose of providing retirement allowances for employees of the State of Rhode Island under the provisions of chapters 8 to 10, inclusive, of Title 36, and public school teachers under the provisions of chapters 15 to 17, inclusive, of Title 16 of the Rhode Island General Laws.

The Plan covers most State employees other than certain personnel at the State colleges and university (principally faculty and administrative personnel). The plan also covers teachers, including superintendents, principals, school nurses, and certain other school officials in the public schools in the cities and towns. Membership in the plan is mandatory for all covered state employees and teachers. Elected officials may become members on an optional basis and legislators may participate if elected to office prior to January 1, 1995.

Certain employees of the University of Rhode Island, Rhode Island College, Community College of Rhode Island, Division of Higher Education Assistance, Rhode Island Airport Corporation (hired before July 1, 1993), the Rhode Island Commerce Corporation (active contributing members and employees of the Department of Economic Development before October 31, 1995 who elected to continue membership) and, the Narragansett Bay Water Quality District Commission (members of a collective bargaining unit) are also covered and have the same benefits as State employees.

**2. Schedules of Employer Allocations**

The Schedules of Employer Allocations reflect employer contributions recognized for the fiscal year ended June 30, 2018 consistent with contributions reflected within the Plan's financial statements. Contribution classification and presentation differences are reconciled on the next page.

The Schedules of Employer Allocations (Schedules A and B) reflect employer contribution amounts which are the preliminary basis for allocating the pension amounts to each employer. The final or effective allocations also include any changes in allocations between years which are reflected as deferred outflows/inflows and recognized over the remaining service lives of the respective employee group (state employees or teachers).

The changes in allocations for teachers also reflects the effect of employer contributions for one employer unit (West Warwick Schools) which were under-reported due to a timing difference in fiscal 2016. Those fiscal 2016 contributions were recognized by the System in fiscal 2017 which, without adjustment, would have resulted in an over-allocation of pension expense and the net pension liability at the June 30, 2017 measurement date for that employer unit. The accompanying schedule of pension amounts by employer for teachers includes a change in proportion allocation adjustment to appropriately reflect each employers' proportionate share based on employer contributions attributable to fiscal 2017.

**EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**

**EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN**

**Notes to the Schedules of Employer Allocations and Pension Amounts by Employer  
June 30, 2018 Measurement Date**

**2. Schedules of Employer Allocations (continued)**

The Schedule of Employer and Other Nonemployer Entity Allocations for Teachers reflects a special funding situation wherein the State of Rhode Island, by statute, has assumed responsibility to fund 40% of the required employer contribution for teachers. The actual proportionate share of employer contributions as shown in the Schedule and to be borne by the State varies slightly from 40% due to differences in the amortization period for the unfunded liability between the State and teacher units which is reflected in the actuarially determined contribution for the State share the local teacher share. This results in the actual dollar amount of State contributions to be proportionately larger than the stated statutory amount of 40%.

The Schedule of Employer Allocations and Other Nonemployer Entity Allocations for Teachers also includes an adjustment to determine equivalent contributions from local educational agencies if all had been shared on a consistent basis. The employer contribution for certain teachers funded by federal programs is borne 100% by the local education agency using federal funds and consequently there is no State share. The adjustment converts the actual contribution amounts by local educational agency employers to an equivalent basis for the purpose of determining each employer's proportionate share of the net pension liability, pension expense and deferred inflows and outflows of resources.

	State Employees	Teachers Local Share	Teachers State Share	Total ERS Plan
Employer Contributions included in the Schedules of Employer Allocations	\$ 173,433,631	\$ 136,875,367	\$ 102,099,192	\$ 412,408,190
Adjustment for equivalent contributions if all shared at same rate		3,978,357	(3,978,357)	-
Other contribution related additions included in financial reporting amounts	32,627	856,369		888,996
Employer contributions reported on ERS Plan Fiscal 2018 financial statements	\$ 173,466,258	\$ 141,710,093	\$ 98,120,835	\$ 413,297,186

Per ERSRI fiscal 2018 financial statements	Employer Contributions	\$ 315,176,351
	State Contributions for Teachers	98,120,835
	Total Employer Contributions	\$ 413,297,186

The percentages included in the Schedules of Employer Allocations have been rounded to 8 decimal places.

**3. Schedules of Pension Amounts by Employer**

The Schedules of Pension Amounts by Employer were prepared by the Plan's actuary using amounts from (1) the Plan's fiscal 2018 financial statements, (2) Required Supplementary Information Schedules prepared in accordance with the requirements of GASB Statement No. 67, and (3) certain data from the actuarial valuation of the Plan performed at June 30, 2017 rolled-forward to June 30, 2018. These schedules utilize the proportionate employer contribution schedules detailed in the Schedules of Employer Allocations to apportion each employer's amounts for the cost-sharing plan.

**EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**

**EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN**

**Notes to the Schedules of Employer Allocations and Pension Amounts by Employer  
June 30, 2018 Measurement Date**

**3. Schedules of Pension Amounts by Employer (continued)**

The Schedules of Pension Amounts by Employer include the sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

**Net Pension Liability – Sensitivity Analysis**

	<b>1.00% Decrease (6.0%)</b>	<b>Discount Rate (7.0%)</b>	<b>1.00% Increase (8.0%)</b>
<b>ERS - State employees</b>	\$ 2,810,415,531	\$ 2,250,804,158	\$ 1,833,984,062
<b>ERS - Teachers</b>	\$ 3,997,522,369	\$ 3,177,248,164	\$ 2,566,288,980

**4. Relationship to the Plan Financial Statements**

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on the net increase in fiduciary net position as reflected for the ERS Plan in the System's financial statements and consistent with the requirements of GASB Statements No. 67 and 68.

See note 2 which more fully describes how employer contribution amounts are utilized in the Schedules of Employer Allocations.

**5. Summary of Significant Accounting Policies**

**Basis of Accounting** – The underlying information to prepare the allocation schedules is based on the System's financial statements as of and for the year ended June 30, 2018. The financial statements of the System are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred. Plan member contributions are recognized in the period in which the wages, subject to required contributions, are earned for the performance of duties for covered employment. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions.

**EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**

**EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN**

**Notes to the Schedules of Employer Allocations and Pension Amounts by Employer  
June 30, 2018 Measurement Date**

**6. Net Pension Liability**

The components of the net pension liability of the employers participating in the ERS Plan at June 30, 2018 were as follows:

	ERS	
	State Employees	Teachers
<i>Fiscal year ended June 30, 2018</i>		
Total pension liability	\$ 4,741,437,331	\$ 6,958,809,084
Plan Fiduciary net position	2,490,633,173	3,781,560,920
<b>Employers' Net Pension Liability</b>	<b>\$ 2,250,804,158</b>	<b>\$ 3,177,248,164</b>
Plan Fiduciary Net Position as a percentage of total pension liability	52.5%	54.3%

**7. Actuarial methods and assumptions**

The total pension liability was determined by actuarial valuations performed as of June 30, 2017 and rolled forward to June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

The actuarial assumptions used in the June 30, 2017 valuations and the calculation of the total pension liability at June 30, 2018 (**measurement date**) were consistent with the results of an actuarial experience study performed as of June 30, 2016.

Actuarial Cost Method - Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.

Amortization Method - Level Percent of Payroll – Closed

Investment Rate of Return – 7.00%

Projected Salary Increases – state employees – 3.25% to 6.25%

Projected Salary Increases – teachers – 3.00% to 13.00%

Mortality – state employees:

- Male Employees, RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with Scale Ultimate MP16.
- Female Employees: RP-2014 Combined Healthy for Females, projected with Scale Ultimate MP16.

*EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND*

**EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN**

**Notes to the Schedules of Employer Allocations and Pension Amounts by Employer  
June 30, 2018 Measurement Date**

**7. Actuarial methods and assumptions (continued)**

Mortality – teachers:

- Male Employees, RP-2014 Combined Healthy for Males with White Collar adjustments, projected with Scale Ultimate MP16.
- Female Employees, RP-2014 Combined Healthy for Females with White Collar adjustments, projected with Scale Ultimate MP16.

Inflation – 2.50%

Post-retirement Benefit Increase: Post-retirement benefit increases are assumed to be 2.1%, per annum, while the plan has a funding level that exceeds 80%; however, an interim COLA will be granted in four-year intervals while the COLA is suspended. The second such COLA will be applicable in calendar 2021. As of June 30, 2018, it is assumed that the COLAs will be suspended for 9 years due to the current funding level of the plans. The actual amount of the COLA is determined based on 50% of the plan's five-year average investment rate of return minus 5.0% which will range from zero to 4.0%, and 50% of the lesser of 3% or last year's CPI-U increase for a total maximum increase of 3.0%.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

**8. Discount rate**

The discount rate used to measure the total pension liability of the ERS plan was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**9. Deferred Outflows and Inflows of Resources**

Consistent with the requirements of GASB Statement No. 68, differences between expected and actual experience and changes in assumptions are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

*EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND*

**EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN**

**Notes to the Schedules of Employer Allocations and Pension Amounts by Employer  
June 30, 2018 Measurement Date**

**9. Deferred Outflows and Inflows of Resources (continued)**

Differences between projected and actual earnings on pension plan investments are to be recognized in pension expense using a systematic and rational method over a closed five-year period. Projected earnings of the plan reflect the plan's investment return assumption or discount rate of 7.0%.

Changes in proportion between the June 30, 2017 and June 30, 2018 measurement dates are also recognized in pension expense using the expected remaining service lives of state employee or teachers as applicable.

For state employees, the average of the expected remaining service lives for purposes of recognizing the applicable deferred inflows/outflows of resources established in fiscal 2018 is 5.1303 years (5.1803 years as of the June 30, 2017 measurement date).

For teachers, the average of the expected remaining service lives for purposes of recognizing the applicable deferred inflows/outflows of resources established in fiscal 2018 is 7.1013 years (7.2357 years as of the June 30, 2017 measurement date).